

**EIGHTY-EIGHTH GENERAL ASSEMBLY
2020 REGULAR SESSION
DAILY
HOUSE CLIP SHEET
February 13, 2020**

Clip Sheet Summary

Displays all amendments, fiscal notes, and conference committee reports for previous day.

Bill	Amendment	Action	Sponsor
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No amendments filed on February 13, 2020

Fiscal Notes

[HF 2004](#) — [Rumble Strips, Highway Intersections](#) (LSB5577HH)

[HF 2158](#) — [Hoover Presidential Library Tax Credit](#) (LSB5585YH)

[HF 2271](#) — [Child Care Assistance Program, Infant and Toddler Rates](#) (LSB5916HV)

Fiscal Note

Fiscal Services Division



[HF 2004](#) – Rumble Strips, Highway Intersections (LSB5577HH)
Staff Contact: Adam Broich (515.281.8223) adam.broich@legis.iowa.gov
Fiscal Note Version – New

Description

[House File 2004](#) requires any governmental entity which exercises jurisdiction over a highway to construct and maintain rumble strips on certain highways. Under the Bill, rumble strips are required in advance of all stop signs and traffic-control signals located on a highway where the highway enters or crosses a primary highway. However, rumble strips are not required on unpaved highways, on highways inside the limits of any incorporated city, or on highways with a speed limit of less than 55 miles per hour.

The Bill may include a State mandate as defined in Iowa Code section [25B.3](#). Provisions that relieve political subdivisions from complying with an unfunded State mandate (Iowa Code section [25B.2](#)) do not apply to the requirements in [HF 2004](#). Therefore, political subdivisions are required to comply with any State mandate included in the Bill.

Background

The Road Use Tax Fund (RUTF) allocates funding for road construction to the Primary Road Fund, secondary and farm-to-market roads (counties), and city streets. Current law allocates 47.5% of the RUTF to the Iowa Department of Transportation (DOT), 32.5% to counties, and 20.0% to cities. The DOT administers projects funded through the Primary Road Fund. In FY 2019, the RUTF collected and distributed revenues of \$1.760 billion. Of the total, \$847.4 million went to the Primary Road Fund; \$490.1 million went to counties. Additional details regarding the distribution of RUTF revenues are available in the LSA's [Factbook](#) document. Political subdivisions also provide funding for road construction from local sources such as property taxes, local option sales taxes, and other funding sources.

Assumptions

- The DOT estimates that 90 intersections under the control of the DOT that do not currently have rumble strips will require rumble strips.
- The DOT estimates that each intersection will require two rumble strips at a cost of \$5,000 per intersection.
- It is assumed that Iowa counties will be required to install 693 rumble strips. The Iowa County Engineers Association (ICEA) has collected information from 73 counties. On average, each of the counties that has responded identified seven legs that will require the installation of rumble strips. It is assumed that the 26 counties that have not responded will also average seven legs requiring rumble strips.
- The ICEA estimates that installation of rumble strips will cost roughly \$1,500 per roadway leg. The ICEA states that costs will fluctuate based on the type of pavement and panels being installed and with the mobilization required for disparate locations.

Fiscal Impact

[House File 2004](#) is estimated to cost the Primary Road Fund an additional \$450,000 for the installation of rumble strips on primary highways. In addition, the Bill is estimated to cost Iowa counties \$1.0 million for rumble strip installation on county roads throughout the State.

Sources

Legislative Services Agency
Iowa Department of Transportation
Iowa County Engineers Association

/s/ Holly M. Lyons

February 12, 2020

Doc ID 1129630

The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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Fiscal Note

Fiscal Services Division



HF 2158 – Hoover Presidential Library Tax Credit (LSB5585YH)
Staff Contact: Jeff Robinson (515.281.4614) jeff.robinson@legis.iowa.gov
Fiscal Note Version – New

Description

[House File 2158](#) creates a Hoover Presidential Library Tax Credit. The new income tax credit is available to Iowa taxpayers who donate to the Hoover Presidential Library and Museum Renovation Project Fund. The tax credit equals 25.0% of the donated amount. The total amount of tax credits awarded is limited to \$4.0 million in aggregate. The maximum credit a taxpayer may earn is \$200,000. Any donation to the Fund that earns a credit may not also be used as an itemized deduction for Iowa income tax purposes.

The credit is applicable to individual, corporate, franchise, insurance premium, and moneys and taxes. The credit is not refundable or transferable. The credit is available for tax years 2021 through 2023 or until the full \$4.0 million has been awarded. Unused credits may be carried forward for up to five additional tax years.

Assumptions

- Sufficient demand exists to fully utilize the \$4.0 million aggregate award amount during the first tax year available (tax year 2021).
- Tax credits awarded for tax year 2021 will first impact FY 2022.
- The tax credit redemption pattern for the Hoover Presidential Library Tax Credit will be similar to the redemption pattern for the Endow Iowa Tax Credit. The Department of Revenue reports that the redemption pattern for the Endow Iowa Tax Credit is:
 - Year one = 43.0%
 - Year two = 31.0%
 - Year three = 5.0%
 - Year four = 3.0%
 - Year five = 1.5%
 - Year six = 1.5%
 - Expiring without redemption = 15.0%
- As a tax credit that is not refundable, the new tax credit will impact the calculation of any local option income surtax. Surtaxes are estimated to average 3.0% of State income tax liability.

Fiscal Impact

The new Hoover Presidential Library Tax Credit is projected to reduce net General Fund revenue by the amounts in the following table.

Projected Net General Fund Revenue Change In Millions	
	Amount
FY 2022	\$ -1.7
FY 2023	-1.2
FY 2024	-0.2
FY 2025	-0.1
FY 2026	-0.1
FY 2027	-0.1

The new tax credit is also projected to reduce the amount of revenue raised by any local option income surtax. The reduction over six fiscal years is estimated to be \$100,000.

The Department of Revenue estimates that the new tax credit will result in \$90,000 in expenditures for administrative rulemaking, computer programming, and tax form updates.

Sources

Hoover Presidential Foundation
Department of Revenue

/s/ Holly M. Lyons

February 12, 2020

Doc ID 1129767

The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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Fiscal Note

Fiscal Services Division



[HF 2271](#) – Child Care Assistance Program, Infant and Toddler Rates (LSB5916HV)
Staff Contact: Kenneth Ohms (515.725.2200) kenneth.ohms@legis.iowa.gov
Fiscal Note Version – New

Description

[House File 2271](#) directs the Department of Human Services (DHS) to amend its Administrative Rules to change the definition of the term “infant and toddler” for Child Care Assistance (CCA) Program reimbursement from between two weeks and two years to between two weeks and three years. The Bill also directs a conforming adjustment to the definition of preschool child to reflect this change.

Assumptions

- Approximately 3,200 children would be reimbursed at a higher rate due to this change. This includes 1,800 children at licensed child care centers, 1,100 at registered child development homes, and 300 at nonregistered child care homes with a CCA Provider agreement.
- Each eligible child uses eight units of service per week.
- The distribution of children at the enhanced Quality Rating System (QRS) reimbursement rate levels is assumed to be 44.2% for the basic rate, 18.5% for QRS Levels 1 or 2, 30.8% at QRS Levels 3 or 4, and 6.4% at QRS Level 5.

Fiscal Impact

[House File 2271](#) will increase expenditures for the CCA Program by an estimated \$2.8 million in FY 2021. Of this amount, the estimate is anticipated to be distributed by provider type as follows:

- Licensed child care centers: \$2.4 million
- Child development home providers: \$291,000
- Nonregistered child care homes that have a provider agreement with the DHS to participate in the CCA Program: \$106,000

The above amounts will fluctuate annually thereafter based on trends in enrollment and costs per case utilization.

There is a sufficient balance of federal funds projected to be carried forward at the end of FY 2020 to not require an increase from the General Fund appropriation in FY 2021 for the rate increase proposed under the Bill.

Sources

Department of Human Services
LSA Analysis and Calculations

/s/ Holly M. Lyons

February 13, 2020

Doc ID 1129867

The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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